



PETTY CASH POLICY

Version 1.2

Sapphire Foods India Limited (SFIL)



Policy Applicability and Validity

This policy applies to all functions and employees of SFIL including the contract employees and business associates, as well as to all our business partners.

This policy is applicable from 1st December 2024 and shall remain valid until replaced with a new policy.

Owning and Approving Authority

Chief Financial Officer ('CFO') is the owner of this policy. The approving/overriding authority (in case of ambiguity in terms of interpretation and/ or applicability) for any aspect covered under this document shall be the CFO

Approved by

Vijay Jain
Chief Financial Officer

Punit Jhunjhunwala
VP – Finance

Control of confidentiality

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Change Management

In the event that the processes defined in this policy are changed, the following change management procedure shall be followed:

- All changes to the existing processes shall be authorized by CFO and the changed sections and date shall be listed and circulated.
 - The policy shall be reviewed on an ongoing basis as and when warranted by the business Situation.
 - Subsequent issues of the policy shall have an updated version number i.e., 1.1, 1.2, 1.3.
- Change management history table is given below:

Document Section & title	Revision date	Nature of revision	Revision made by	Revision approved by	Approval date
1.1	1st Nov '23	Policy rationalization – inclusion of Additional Expenses in Annexure 2 & 3	Finance Team	CFO	1st Nov '23
1.2	1st Dec '24	Policy rationalization – Updates in limits in Annexure 1 & 4. Inclusion of Updates and Additional Expense in Annexure 2	Finance Team	CFO	1st Dec '24



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Purpose

The purpose of this policy is to define the process and ensure smooth financial controls over the requisitioning and utilisation of petty cash at stores to meet the day-to-day business requirements.

Policy coverage

This policy covers the following related to the stores:

1. Petty Cash Requisitioning (Cash Pull)
2. Petty Cash Utilisation / Expenses
3. Petty Cash Accounting
4. Petty Cash Physical Count

Policy exclusions:

1. Expenses incurred / Cash transactions other than through petty cash
2. Petty Cash at HO/RSC

This policy applies to all the stores operated by SFIL.

Definitions / Abbreviations

1. Cash Pull – a process whereby a defined quantum of cash is taken out under approval from the Till Cash to meet the day-to-day petty cash requirements.
2. Change Fund – a fixed limit of cash maintained in small denominations including coins to facilitate giving change by the cashier. This is exchanged with Till Cash for an equivalent amount of cash taken out of change fund. This is generally sourced through external vendors by paying commission ('Change Commission').
3. FER Team – Internal Audit Team comprising of FER Specialists
4. Petty Cash – a fixed limit of cash maintained to meet the day-to-day business expenses by the stores.
5. Portal – Petty Cash portal used for requisitioning petty cash, recording petty cash expenses, facilitating petty cash certification.
6. QA – Quality Assurance
7. RGM – Restaurant General Manager
8. Till Float – this is fixed cash (For amount, refer page no. 6) maintained at the store to run the Till. This is generally given on assignment of the Till and taken back on Till Closure.
9. Safe Fund – this is sum of Change Fund + Petty Cash + Till Float
10. SCM – Supply Chain Management
11. Market Manager (MM) – for location where there is no designated MM, Ops Manager can exercise the authority given to MM vide this policy.
12. LSM – Local Sales Marketing.
13. R&M – Repairs and Maintenance



Standards and Procedures

1. The petty cash quantum and cash pull limits are defined in Annexure 1
2. Petty cash shall be used only to meet the expenses as mentioned in Annexure 2
3. In case of expenses not covered by this policy, please reach out to the FER/Finance Team for guidance.
4. Expenses that cannot be incurred through petty cash are mentioned in Annexure 3
5. Approvals for petty cash pull and petty cash expenses shall be obtained as defined in Annexure 4.
6. Petty Cash procedures in relation to New Store Opening, Store Closure / Refurbs are mentioned in Annexure 5.
7. Original Bills shall be attached while claiming petty cash expenses in all the cases. No expenses shall be claimed against photocopy / scan copy / delivery challan / quotation / estimate / approval memo / any other document that is not an original bill.
8. While submitting the petty cash expenses the teams shall upload the supporting documents (as explained in point no. 7 above) for all petty cash vouchers and shall select the correct expense head on the portal basis the nature of underlying expenses.
9. All the petty cash vouchers shall be signed off by the Manager on duty ('MOD') and submitted on portal within a TAT of T+2 Day. The RGM / ARM shall approve the same on the portal as well as also verify and sign-off on the physical petty cash vouchers. While approving the RGM / ARM shall review the nature and purpose of expenses, alignment with this policy, correct expense heads, etc.,
10. Petty Cash pull shall be done once a week every Wednesday (KFC) / Friday (PH) basis the uploaded petty cash vouchers on the portal.
11. Petty Cash expenses booked shall match with the petty cash pull done.
12. Petty Cash shall not be mixed / interchanged with Till Cash or vice-versa
13. The RGM / ARM / Shift Manager shall maintain and review the records of petty cash, till float, change fund, till cash on a daily basis and reconcile the same basis the underlying documents. Any findings shall be reported to the Market Manager and FER Team on a weekly basis.
14. The compliance with this policy shall be ensured strictly. However, in case of imperative business situation if any exceptions do occur, the RGM / ARM shall take approval from the Market Manager and the Finance Controller for incurring the expenses. Any exceptions / breaches, if found without approvals as mentioned above, shall be subjected to the investigation and any concluded misappropriation of cash shall be construed as violation of the Company's Code of Conduct and shall be subjected to the disciplinary actions as per the policy. Please ensure you read and understand this policy appropriately before dealing with petty cash. For any clarifications please consult Finance/FER Team.

Petty Cash Accounting

1. Store Teams shall maintain and preserve all the original bills and vouchers for petty cash expenses and send the files to HO on a yearly basis on receipt of email from finance team. In respect of stores closed during the year, the RGM/ARM shall ensure to deliver all the documents to HO within 3 days from the store closure.
2. The Finance Team at HO shall pass the necessary accounting entries in SAP based on the cash pull and petty cash expenses details uploaded by the stores on portal.



3. In case of any observations / rejections by Finance, the stores team shall carry out the necessary rectifications as advised by the Finance.

Cash Physical Count

1. The RGM shall carry out safe audit every week as per the process laid down by the FER.
2. On every month end the RGM shall conduct physical cash count (covering all types of cash – Petty Cash, Till Cash, Change Fund, Till Float) and maintain records of physical count. Any discrepancies arising on physical count vis-à-vis Cash Sales, Cash Balance need to be investigated and brought to the notice of the Area Coach and the FER Team.
3. Further on a quarterly basis, the RGM shall prepare and certify the cash balance by way of Cash Certificate and shall send the same to the FER Team.
4. The Area coach shall carry out safe audit on a monthly basis. Any findings shall be reported to the Market Manager and FER Team.



Annexure 1 – Petty Cash Limits

Overall Cash Limits

Brand	Maximum Limits (Rs.)			
	Petty Cash	Change Fund	Till Float	Total Safe Fund
PH	10,000	4,000	6,000	20,000
KFC	20,000	15,000	15,000	50,000

Note:- Any exception in the above mentioned limits shall require approval from the Market Manager

Cash Pull

Brand	Cash Pull Limit (Rs.)	Frequency
PH	15,000	Weekly*
KFC	30,000	Weekly*

*Petty cash pull shall be lower of actual expenses incurred or maximum limit defined

Note:- In case the requirement of Petty Cash pull exceeds the limits mentioned above, please refer Annexure – 4 for approval process



Annexure 2 – Permitted Expenses

Petty Cash shall be used only to incur the following expenses:-

1. Raw materials –

Local purchase	Allowed only for 'Iodized Salt' and 'Sugar'
Vegetable	Allowed with prior approval of Head Procurement & QA Team (Sapphire).
Other Materials	Allowed with prior approval from QA Team (Sapphire).

The vegetables shall be procured from organized stores to facilitate underlying bills to support the expenses and also to ensure the quality of the product.

2. Change commission – shall be supported by underlying bills and shall mention the vendor name, contact number and the detailed calculation of the change commission.
3. Local Conveyance – shall be supported by underlying bills, where bills are not available the voucher shall contain the details of travel i.e., purpose, travel source / destination including Kms., mode of transport, etc.
4. Courier Charges – shall be incurred for official documents only and shall be supported by original bills from national / local courier agency.
5. Diesel / Petrol – Store teams are encouraged to use the Fleet Card (IOCL) wherever available. In case the fleet cards are not available, as a second preference store teams shall explore the possibility of tie-up with vendors whose can submit invoices to the HO Team on regular basis and the HO Team can make the payments. Expenses shall be met through petty cash only in cases where the above options are not available. In all the cases the original system printed bill with vendor details, quantity, rate, time stamp provided by the petroleum vendor shall be attached to the voucher.
6. Mobile / Telephone – All mobile / telephone expenses shall be claimed through T&E in accordance with Mobile Policy and only in case of rider / team members not having T&E privileges the expenses shall be incurred through petty cash. The expenses shall be incurred subject to the availability of original bills and not exceeding Rs. 400/ month.
7. Legal Expenses – Any expense shall only be incurred basis the approval from the Market Manager and Manager-Legal.
8. Cleaning / Garbage Removal – this includes cleaning of signages / water tank / glass and regular garbage removal. For monthly garbage removal arrangement, it is mandatory to have one-time approval from the Market Manager for entering into the arrangement and wherever possible the contract / Term sheets shall be executed with the garbage collection vendor / agency. The expenses shall be supported by original bills, in case of garbage collections cases where original bills could not be obtained from vendor / collection agency, the cash receipt shall be signed off on the petty cash voucher.



9. Staff Welfare – includes Meals / Snacks / Tea or Coffee for the stores team. Further expenses such as Cake / Sweets as per the EVP (Employee Value Proposition) calendar shall be allowed to be claimed basis the approval from the Field HR ('FHR'). The expenses shall be supported by original bills.
10. Other Admin Expenses – this includes stationery / other office supplies / medicines / first aid / parking, etc., shall be claimed only on the basis of original bills / petty cash vouchers / receipts.
11. Loading / Unloading / Transportation Charges – shall be supported by appropriate bills / vouchers (this includes Mathadi Charges). For expenses above Rs. 2,000/- prior approval from Market Manager shall be obtained.
12. Repairs / Maintenance – routine repairs or maintenance expenses are allowed subject to a maximum Rs. 2,000/- and any expense over this limit shall be incurred via registered vendor. In case of urgency / imperative business situation prior approvals from Market Manager and Maintenance Manager / Regional Head shall be obtained to incur the expenses above the stated limit. The petty cash voucher shall be supported by original bills and approval email from the Market Manager.
13. LSM Charges – It shall include expenses incurred (such as paper insert charges, advertisement), to be supported by underlying bills mentioning the vendor details, contact number, rate / calculations of insert charges, etc. Also, LSM expenses to be approved by Regional Marketing (LSM) team.
14. Uniform expenses (other than PH/KFC Brand Uniform and Accessories) - This includes purchase of T-shirt, Shoes, Raincoat, ID card, Umbrella which shall be supported with underlying supportings / original bills (with clear mention of vendor name, rate, quantity, tax amount, GST number and total amount). Irrespective of the amount, additional approval to be obtained from Market Manager and Head Procurement.
15. Medical Expenses – Any expense incurred towards injury (during working hours) subject to a maximum of Rs. 2,000/- shall be supported with proper bill/invoice. Expenses incurred in excess of Rs. 2,000/- to be additionally approved by Market Manager.
16. Purchase of Assets - This includes purchase of assets (Fan, Induction Cooker, Landline phones) for store use which shall be supported by original bill. Expense incurred upto Rs. 5,000/- to be additionally approved by Market Manager + Regional Maintenance. Expenses incurred above Rs. 5,000/- to be additionally approved by R&M Head.
17. Festival Celebration - Any expense incurred in excess of Rs. 2,000/- towards celebration of festival (such as Puja or Decoration) at store shall be supported by original bills and additionally to be approved by Market Manager. Additionally, irrespective of expense amount, prior approval to be obtained from FHR.
18. Penalty / Fine – Any amount paid to any government body towards penalty or fine shall be supported by original receipt with details such as name, amount, reason for payment,



authority stamp and shall be approved by Market Manager + Regional Lead/Manager – Legal and aligned to Head Legal.

19. Miscellaneous - Any expense incurred towards donation, food cost during food inspection or food provided free of cost during store opening shall be supported with appropriate receipts / bills. Expense below Rs. 2,000/- to be additionally approved by Area Coach and expense above Rs. 2,000/- to be additionally approved by Market Manager.
20. Payment to Riders – Any amount paid to temporary riders for delivery of orders to customers during Festive Seasons (*such as Diwali, Christmas, New year, other festivals*) shall be supported by duly filled voucher and to be additionally approved by Market Manager.
21. Outdoor Catering Charges (ODC) – Any expense incurred upto Rs.10,000/- shall be approved by the Market Manager. Expenses incurred in excess of Rs. 10,000/- to be additionally approved by Financial Controller ('FC').



Annexure 3 – Expenses Not Permitted

Petty Cash shall not be used to incur the following expenses :-

1. Purchase of raw materials not covered under Annexure-2 (for e.g., chicken)
2. Employee salaries / advances / bonus
3. Utility Bills (Water, except water tanker) / Rental / Telephone / Internet / Gas / Electricity / Other Utility Expenses)
4. AMC – Safety / Security / Pest Controls / Other AMC Payments
5. Vendor Payments - Registered Vendor for which payments processed at HO
6. Outstation conveyance
7. Hotel / Travel and other expenses generally allowed to be claimed through T&E
8. Gifts / Awards / Recognition
9. Gift Card reimbursement / exchange
10. Insurance payments
11. Purchase of Assets - Microwave, Pesto flash, Weighing scale, CD Player, LCD, etc.,
12. Quality and Testing charges
13. HR / Training related expenses (for e.g. CNO / Meals / Projector charges / Travel, etc.,)
14. Customer refunds
15. Cash short/excess
16. Hiring related cost (for e.g. Pamphlets, Posters, Newspaper Leaflets, etc.)
17. PH/KFC Brand uniform and accessories
18. Any other expenses not specifically covered under Annexure-2



Annexure 4 – Approval Limits

Cash Pull

Brand	Cash Pull Limit (Rs.)	Approval - RGM	Approval - Area Coach	Approval - Finance
PH	15,000	✓	✓	✓
KFC	30,000	✓	✓	✓

Note: In case of urgency / business situations requiring cash pull in excess of the above limits the RGM/ARM shall write to the Market Manager over email requesting for cash pull in excess of the defined limits along with business reasons therefor. The approval once obtained shall be provided to the FER Team. The FER Team basis the email communication from the stores as supported by the approvals from the Market Manager shall enable the cash pull as approved from the backend portal.

Petty Cash Expenses

PH and KFC

Expense Limit (Rs.)	Approving Authority
Up to Rs. 499	RGM
Rs. 500 – Rs. 5,000	Area Coach
Rs. 5,001 – Rs. 10,000	Ops Manager/Market Manager
Above Rs. 10,000	Refer Note 1 Below

Note 1: Cash expenses over Rs. 10,000 are disallowed under the Income Tax Act. Hence any petty cash expenses over Rs. 10,000 shall be incurred only after prior approval from the Finance Controller ('FC') is obtained. The approval email shall be attached to the petty cash voucher. Further such expenses shall be approved by the Market Manager.

Note 2: Under no circumstance, the petty cash expenses shall be split to meet the approval limits requirement.



Annexure 5 – New Stores Opening, Stores Closure / Refurbs

I] New Stores Opening

1. The Area Coach shall take approval from the Market Manager for the quantum of safe cash required at the stores and share the email approvals with the Finance / FER Team at least 5 working days before the store opening date. The quantum of safe cash shall be within the limits defined in Annexure 1. The format given below shall be used for taking the approvals.

Store Name		Store Petty Cash Request Amount	
City		Area Coach Name	
Sate		Area Coach Employee Code	
Store SAP Code		Market Manager Name	

2. The Finance Team basis the approvals from the Market Manager shall arrange to remit the funds to the Area Coach for onward handover of the safe cash at the stores on the store opening date.

II] Stores Closure / Refurbs

1. The RGM / ARM shall ensure that all the petty cash vouchers up to the last operational day of the store are approved and uploaded on the portal and petty cash pull done as defined in this policy.
2. After adjusting for the petty cash expenses as stated above, the RGM / ARM shall deposit the total cash with the bank the next day of the store closure (permanent / refurbs) and intimate the Finance / Sales Recon / FER Team accordingly. While depositing the cash, separate deposit slips shall be filled for safe cash and sales cash.
3. All the petty cash vouchers supported by the underlying bills shall be submitted to HO within 3 days of the store closure.